



# FEDERAL ACQUISITION CIRCULAR

December 16, 1991

Number 90-8 (**correction**)

We are correcting the Federal Acquisition Circular 90-8, due to the following errors:

Due to a typesetting error, a sentence was dropped at the end of looseleaf page 51-2.

The third statement in the "General Information About Forms" page directing contracting officers to obtain copies of all necessary forms from GSA Business Service Centers is erroneous and has been corrected.

The following pages and related filing instructions are provided:

Remove

51-1 and 51-2

General Information  
About Forms

Replacement pages

51-1 and 51-2

General Information  
About Forms  
(insert following Part 53  
Table of Contents)



## **PART 51**

### **USE OF GOVERNMENT SOURCES BY CONTRACTORS**

#### **51.000 Scope of part.**

This part prescribes policies and procedures for the use by contractors of Government supply sources and interagency fleet management system (IFMS) vehicles and related services.

#### **SUBPART 51.1—CONTRACTOR USE OF GOVERNMENT SUPPLY SOURCES**

#### **51.100 Scope of subpart.**

This subpart prescribes policies and procedures for the use of Government supply sources (see 51.102(c)) by contractors. In this subpart, the terms “contractors” and “contracts” include “subcontractors” and “subcontracts.”

#### **51.101 Policy.**

(a) If it is in the Government’s interest, and if supplies or services required in the performance of a Government contract are available from Government supply sources, contracting officers may authorize contractors to use these sources in performing—

- (1) Government cost-reimbursement contracts; or
- (2) Other types of negotiated contracts when the agency determines that a substantial dollar portion of the contractor’s contracts are of a Government cost-reimbursement nature.

(b) Contractors with fixed-price Government contracts that require protection of security classified information may acquire security equipment through GSA sources (see 41 CFR 101-26.407).

#### **51.102 Authorization to use Government supply sources.**

(a) Before issuing an authorization to a contractor to use Government supply sources, the contracting officer shall place in the contract file a written finding supporting issuance of the authorization. The determination shall be based on, but not limited to, considerations of the following factors:

- (1) The administrative cost of placing orders with Government supply sources and the program impact of delay factors, if any.
- (2) The lower cost of items available through

Government supply sources.

(3) Suitability of items available through Government supply sources.

(4) Delivery factors such as cost and time.

(5) Recommendations of the contractor.

(b) Authorizations to subcontractors shall be issued through, and with the approval of, the contractor.

(c) Upon deciding to authorize a contractor to use Government supply sources, the contracting officer shall request, in writing, as applicable—

(1) A FEDSTRIP activity address code, through the agency’s central contact point for matters involving activity address codes, from the General Services Administration (GSA), FSR, Washington, DC 20406;

(2) A MILSTRIP activity address code from the appropriate Department of Defense (DOD) service point listed in Section 1 of the Introduction to the DOD Activity Address Directory;

(3) Approval for the contractor to use Department of Veterans Affairs (VA) supply sources from the Assistant Administrator for Supply Services (Code 90), Office of Supply Services, Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC 20420;

(4) Approval for the contractor to acquire helium from the Department of the Interior, Bureau of Mines, Division of Helium Operations, Box H-4372, Herring Plaza, Amarillo, Texas 79101; or

(5) Approval from the appropriate agency for the contractor to use a Government supply source other than those identified in paragraphs (c)(1) through (c)(4) of this section.

(d) Each request made under paragraph (c) above shall contain—

(1) The complete address(es) to which the contractor’s mail, freight, and billing documents are to be directed;

(2) A copy of the contracting officer’s letter of authorization to the contractor;

(3) The prime contract number(s); and

(4) The effective date and duration of each contract.

(e) In each authorization to the contractor, the contracting officer—

(1) Shall cite the contract number(s) involved;

(2) Shall, when practicable, limit the period of the authorization;

(3) Shall specify, as appropriate, that—

(i) When requisitioning from GSA or DOD, the contractor shall use FEDSTRIP or MILSTRIP, as (FAC 90-8 Corr.) 51-1

appropriate, and include the activity address code assigned by GSA or DOD;

(ii) When requisitioning from the VA, the contractor should use FEDSTRIP or MILSTRIP, as appropriate, Optional Form 347, Order for Supplies or Services (see 53.302-347), or an agency-approved form; and

(iii) When placing orders for helium with the Bureau of Mines, the contractor shall reference the Federal contract number on the purchase order;

(4) May include any other limitations or conditions deemed necessary. For example, the contracting officer may—

(i) Authorize purchases from Government supply sources of any overhead supplies, but no production supplies;

(ii) Limit any authorization requirement to use Government sources to a specific dollar amount, thereby leaving the contractor free to make smaller purchases from other sources if so desired;

(iii) Restrict the authorization to certain facilities or to specific contracts; or

(iv) Provide specifically if vesting of title is to differ from other property acquired or otherwise furnished by the contractor for use under the contract; and

(5) Shall instruct the contractor to comply with the applicable policies and procedures prescribed in this subpart.

(f) After issuing the authorization, the authorizing agency shall be responsible for—

(1) Ensuring that contractors comply with the terms of their authorizations and that supplies and services obtained from Government supply sources are properly accounted for and properly used;

(2) Any indebtedness incurred for supplies or services and not satisfied by the contractor; and

(3) Submitting, in writing, to the appropriate Government sources, address changes of the contractor and deletions when contracts are completed or terminated.

#### 51.103 Ordering from Government supply sources.

(a) Contractors placing orders under Federal Supply Schedules shall follow the terms of the applicable schedule and authorization and include with each order—

(1) A copy of the authorization (unless a copy was previously furnished to the Federal Supply Schedule contractor); and

(2) The following statement: This order is placed under written authorization from . . . . . dated . . . . . In the event of any inconsistency between the terms and conditions of this order and those of your Federal Supply Schedule contract, the latter will govern.

(b) If a Federal Supply Schedule contractor refuses to honor an order placed by a Government contractor under 51-2 (FAC 90-8 Corr.)

an agency authorization, the contracting officer shall report the circumstances to the General Services Administration, FCO, Washington, DC 20406.

(c) Contractors placing orders under nonmandatory schedule contracts and requirements contracts issued by GSA, Information Resources Management Service, for automated data processing equipment, software and maintenance, communications equipment and supplies, and teleprocessing services shall follow the terms of the applicable contract and the procedures in 51.103(a)(1) and (2).

(d) Contractors placing orders for Government stock shall—

(1) Comply with the requirements of the contracting officer's authorization, using FEDSTRIP or MILSTRIP procedures, as appropriate;

(2) Use only the Government activity address code obtained by the contracting officer in accordance with 5.102(e) along with the contractor's assigned access code, when ordering from GSA Customer Supply Centers.

(3) Order only those items required in the performance of their contracts.

#### 51.104 Furnishing assistance to contractors.

After receiving an activity address code, the contracting officer will notify the appropriate GSA regional office or military activity, which will contact the contractor and—

(a) Provide initial copies of ordering information and instructions; and

(b) When necessary, assist the contractor in preparing and submitting, as appropriate—

(1) The initial FEDSTRIP or MILSTRIP requisitions, the Optional Form 347, or the agency-approved forms;

(2) A completed GSA Form 457, FSS Publications Mailing List Application, so that the contractor will automatically receive current copies of required publications; or

(3) A completed GSA Form 3525, Application for Customer Supply Center Services and (Address Change).

#### 51.105 Payment for shipments.

GSA, DOD, and VA will not forward bills to contractors for supplies ordered from Government stock until after the supplies have been shipped. Receipt of billing is sufficient evidence to establish contractor liability and to provide a basis for payment. Contracting officers should direct their contractors to make payment promptly upon receipt of billings.

#### 51.106 Title.

(a) Title to all property acquired by the contractor under the contracting officer's authorization shall vest in the par-

## GENERAL INFORMATION ABOUT FORMS

### Where to obtain copies:

1. The FAR contains all forms authorized for local reproduction. Use these illustrations of forms to produce copies for use as necessary. These forms are not stocked by GSA. FAR subscribers receive these forms as they are issued in Federal Acquisition Circulars.
2. FAR users who do not subscribe to the FAR should obtain copies of other standard or optional forms from the contracting officers with whom they are working or contact the appropriate agency's procurement office.
3. Standard and optional forms not authorized for local reproduction may be obtained by submitting a requisition in FEDSTRIP format to the nearest GSA Federal Supply Service (FSS) regional office listed below:

GSA/FSS  
Attn: 2FYI (Box 25)  
26 Federal Plaza  
New York, NY 10278

GSA/FSS  
Attn: 6FER  
1500 E. Bannister Rd.  
Kansas City, MO 64131

GSA/FSS  
Attn: 7FXER  
819 Taylor St.  
Fort Worth, TX 76102

GSA/FSS  
Attn: 9FT-10  
GSA Center  
400 15th St., SW.  
Auburn, WA 98001

Some commonly used forms also may be available through the GSA-FSS Customer Supply Center serving the area. Addresses and telephone numbers for the centers are listed in the Customer Assistance Guide, a supplement to the GSA Supply Catalog. Information on how to obtain these publications may be obtained by calling GSA's Centralized Mailing List Service, FTS 334-5215 or COM (817) 334-5215 or Autovon 739-7369.

**Submission of forms:** For information on where to send completed forms, follow the directions under "INSTRUCTIONS". These instructions may be located on either the front or back of the form.

**How to reproduce:** All forms authorized for local reproduction should be legibly copied on the front and back because essential information may be contained on both sides.

